

The Credo Self-Invested Personal Pension

Credo Capital Plc is proud to announce the launch of the Credo Self-Invested Personal Pension (“SIPP”).

What is a SIPP?

A SIPP is a special type of personal pension. It allows you to save for your retirement in a tax-efficient manner and is designed to give you control over the investment decisions of your retirement fund.

The benefits of a SIPP

While a typical pension plan merges the two main functions of administration¹ and investment management, a SIPP separates these functions. This is one of its most important features as this separation of function grants you the freedom to make your own investment decisions and choose your own investment manager.

A SIPP also enables you to save for your retirement with full tax relief². At retirement you may withdraw part of your benefits as a tax free lump sum, with the option of either drawing down a steady income or purchasing an annuity with the remainder of the fund.

The Credo SIPP is designed to optimise your wealth for your retirement and offers you complete control over your investments, duly assisted by an experienced team of investment managers who will tailor an investment portfolio to suit your personal circumstances, your attitude to risk and your particular investment criteria.

Range of Investment Products

You can choose from a wide variety of investment opportunities: quoted stocks, gilts, debentures, investment trusts, unit trusts, OEICS, commercial property and cash. This enables you to diversify your cash fund investment across a broad range of assets.

Tax Advantages

Your SIPP contributions should qualify for full tax relief. You will not be taxed on any investment income³ and will be exempt from capital gains tax. When you retire you can draw 25% of your fund as a tax free lump sum and can defer purchasing an annuity by drawing down regular income from the balance of your investment.

Flexibility

You have the flexibility to contribute “once off” or through regular contributions. You can increase or decrease the size of your contributions, stop altogether, or freeze your contributions and start again at a later stage⁴. You also have the freedom to transfer your fund to another pension scheme without paying penalties.

Example

	Direct SIPP Investment	Regular Investment
Income After Tax*	£60,000	£60,000
Tax Relief	£40,000	-
Gross Investment	£100,000	£60,000
Total Return of 5% growth [^] after Year 1	£105,000	£63,000
Increase in value compared with direct investment after Year 1 ~	£45,000	£3,000

% return on original investment of £60,000 assuming 5% compounded growth per annum:

	Year 2	Year 3	Year 4	Year 5
Direct SIPP Investment	8.8%	9.2%	9.7%	10.1%
Regular Investment	5.3%	5.5%	5.8%	6.1%

* Assuming you are a UK high rate income tax payer.

[^] We have assumed a growth of 5% per annum.

[~] We have included the tax relief when measuring the investment growth in Year 1. Please note, the SIPP investment's increase in value following Year 1 will be substantially lower.

The above illustration and return is for illustrative purposes only and are not minimum or maximum amounts. What you will get back depends on how the investment performs and on the tax treatment of the contributions.

How to get started

Contact Private Client Services today on 020 7291 3200 or at sipps@credogroup.com.

We will assign you a personal Relationship Manager who will arrange a meeting with you to discuss your personal circumstances and investment aims and design the optimal investment strategy to suit your needs.

Important Notice

The underlying value of the investments in your SIPP may go up or down and performance is not guaranteed. Past performance is not indicative of future performance. The benefits applicable to investing in a SIPP and the tax advantages may change.

Credo Capital Plc can provide advice on the underlying investments within the SIPP. However, we cannot advise you on the suitability of the pension in regard to your particular financial objectives.

¹ Credo has selected Suffolk Life as its preferred SIPP administrator.

² Kindly refer to the example.

³ UK tax deducted at source can be reclaimed, with the exception of tax on dividends from UK equities.

⁴ Maximum annual contributions are 100% of your taxable earnings subject to a cap of £215,000.